

Service Date: July 2, 1985

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

IN THE MATTER Of The Application Of	)	
PACIFIC POWER & LIGHT COMPANY	)	UTILITY DIVISION
For Authority To Adopt New Rates And	)	DOCKET NO. 85.5.22
Charges For Electric Service Furnished	)	DEFAULT ORDER NO. 5144
In The State Of Montana	)	

\* \* \* \* \*

DEFAULT ORDER

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On May 30, 1985, Pacific Power & Light Company, (PP&L, Company or Applicant) filed a petition with the Montana Public Service Commission requesting that the Commission, pursuant to jurisdiction established by Section 69-3-101, et seq., MCA, authorize the implementation of new rates for its Montana electric customers. PP&L proposed to increase revenues annually by \$396,000, or 1.6 percent, based on the twelve month period ended March 31, 1984.

On June 17, 1985, the Company revised its tariff sheet filing concerning Schedule 36, Agricultural Pumping Service. The Company revised these sheets to correspond with Bonneville Power Administration's (BPA) June 7, 1985 letter clarifying application of the proposed Priority Firm Power rate schedule (PF-85) provision for a discount on energy sold for purposes of agricultural pumping during the months of April through August.

The originally filed sheets applied the agricultural pumping discounts in the billing months of April through August. The substitute sheets apply the discounts during the calendar months of April through August as clarified in BPA's June 7 letter.

The purpose of PP&L's filing is to modify the currently effective Schedule 98 credit so as to implement Phase II of the change in the methodology utilized to calculate the Average System Cost (ASC) which was approved by the Federal Energy Regulatory Commission (FERC) in October, 1984; to increase the level of the Company's residential and farm load which qualifies under the provision of the Company's Residential Purchase and Sales Agreement from 90 percent to 100 percent; and to revise the balancing account adjustment to reflect the estimated balance as of July 1, 1985.

Based on these changes, the Company is proposing that a revised Schedule 98 credit of 0.409 cents per kilowatt - hour be authorized by the Commission to become effective for service rendered on and after July 1, 1985. The Company is also proposing that any agricultural pumping discounts received from the BPA pursuant to approval of the 1985 rate case decision by FERC be passed through to qualifying agricultural pumping loads by increasing the Schedule 98 credit an additional 0.370 cents per kilowatt hour during the months of April through August. This would establish a Schedule 98 credit of 0.779 cents per kilowatt - hour for qualifying agricultural pumping customers for the months July and August of 1985. The agricultural pumping discount of .370 cents per kilowatt - hour is scheduled to continue to be in effect for the months April through August in 1986 and 1987.

Having considered the application and the documentation furnished by Applicant in support of its application and deeming itself fully advised in the premises, the Commission makes the following Findings of Fact and Conclusions of Law:

#### FINDINGS OF FACT

1. A Notice of Opportunity For Public Hearing was published in the June 9, 1985 edition of the Daily Interlake and the June 12, 1985 edition of the Kalispell Weekly. The notice stated that if no requests for a public hearing were received by June 21, 1985, an appropriate order would be issued based upon evidence submitted with the original and revised application.

2. No requests for a hearing were received and no hearing was scheduled.

3. The Company alleges that it needs additional revenue to defray increasing net costs resulting from the aforementioned change in ASC methodology, the increase in the level of Qualifying Load from 90 percent to 100 percent, and the revision of the balancing account adjustment.

4. The Applicant anticipates that the proposed increase in rates will increase annual revenues by \$396,000, or 1.6 percent based upon the 12 month period ended March 31, 1984.

#### CONCLUSIONS OF LAW

1. The Commission has jurisdiction over parties and proceedings in this matter.
2. Interested persons were given proper notice and an opportunity to request a public hearing on this matter.
3. The resulting rate levels are reasonable and just.

#### ORDER

1. The Company's rate schedules are accepted as filed and revised, increasing annual revenues by \$396,000.
2. The increased rates authorized herein shall be effective for service rendered on and after July 1, 1985.

DONE AND DATED this 1<sup>st</sup> day of July, 1985, by a vote of 5 – 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

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CLYDE JARVIS, Chairman

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HOWARD L. ELLIS , Commissioner

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JOHN B. DRISCOLL, Commissioner

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DANNY OBERG, Commissioner

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TOM MONAHAN, Commissioner

ATTEST:

Trenna Scoffield  
Commission Secretary

(SEAL)

Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 33.2.4806.